

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6814

BILL NUMBER: HB 1167

NOTE PREPARED: Jan 7, 2013

BILL AMENDED:

SUBJECT: Fire Department Consolidation in Marion County.

FIRST AUTHOR: Rep. Torr

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides for consolidation of a township fire department or fire protection territory in Marion County (consolidation) into the fire department of the consolidated city if the following occur:

- (1) The mayor of the consolidated city adopts a resolution approving the consolidation.
- (2) The city-county council adopts an ordinance approving the consolidation.
- (3) The mayor of the consolidated city approves the ordinance of the city-county council.

It provides that a consolidation is effective on the date set forth in the ordinance adopted by the city-county council.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill will have indeterminate fiscal impact on county and township government in Marion County, and could potentially creating cost savings. Any cost savings will result from the decision of the mayor and the city-county council, and in the efficiencies gained in the operation of the fire department. There are three unconsolidated township fire departments, Decatur Township, Pike Township, and Wayne Township.

Background: Five township fire departments have merged with the Indianapolis Fire Department under current law provisions for voluntary consolidation. According to an audit of the mergers, for the five-year period 2006 to 2010, fire protection costs increased 9.8% in the consolidated townships, while costs in the other townships (including townships that will be merging) increased 18.9%. The combined staffing level for the consolidated townships is 2.7% less than prior to consolidation, and 17 (or 27%) of the management positions have been eliminated. The table below shows the CY 2011 fire-related fund expenditures by township.

2011 Fire-Related Fund Expenditures						
Township	Date of Consol.	Fire Protection Fund	Cumulative Fire Fund	Fire Bldg Debt Fund	Fire Debt Fund	Total All Fire Funds
Center	--	\$0	\$0	\$0	\$0	\$0
Decatur	--	9,393,147	216,038		988,752	10,597,937
Franklin	7/10/2010	368,767	942,176	624,692	0	1,935,635
Lawrence	1/1/2011	397,473	1,669,263	0	0	2,066,736
Perry	8/1/2009	17,828	1,946	0	3,367	23,141
Pike	--	20,796,814	1,218,591	0	0	22,015,405
Warren	7/1/2007	0	0	0	0	0
Washington	1/1/2007	0	0	0	0	0
Wayne	--	25,567,059	1,150,541	0	0	26,717,599
Totals		\$56,541,087	\$5,198,554	\$624,692	\$992,120	\$63,356,453
Source: 2011 Annual Reports from Indiana Gateway for Government Units.						

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Marion County.

Information Sources: Policy Analytics, *Indianapolis/Marion County Fire Service Consolidation Performance Audit*, October 20, 2010.

Fiscal Analyst: Karen Firestone, 317-234-2106.